

BEFORE THE  
FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION COMMISSION  
OCT 10 2008

Democracy 21  
1875 I Street, NW, Suite 500  
Washington, DC 20006  
202-429-2008

**SENSITIVE**

MUR No. 6094

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
OCT 10 2008 11:42

v.

American Leadership Project  
2261 Market Street PMB 319  
San Francisco, California 94114

**COMPLAINT**

1. In March, 2002, Congress enacted the Bipartisan Campaign Reform Act of 2002 (BCRA) to prevent the raising and spending of soft money by federal candidates and political party committees to influence federal elections. The soft money provisions in Title I of BCRA were upheld by the Supreme Court in *McConnell v. FEC*, 540 U.S. 93 (2003).
2. After the enactment of BCRA, a number of political and party operatives, and others, engaged in illegal schemes in the 2004 and 2006 federal elections to use soft money to influence those elections. These illegal schemes were conducted primarily through the use of so-called "section 527 groups" — entities registered as "political organizations" under section 527 of the Internal Revenue Code (IRC), 26 U.S.C. § 527.
3. Democracy 21 and other reform organizations filed multiple complaints with the Commission in 2004 and 2006, seeking enforcement of the law against these illegal schemes. In

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response to these complaints, the Commission instituted a number of enforcement actions and found that four large 527 groups active in the 2004 campaign engaged in massive violations of the campaign finance law by failing to register as political committees and failing to abide by the contribution limits, source prohibitions and reporting requirements that apply to political committees. The violations by these four 527 groups in the 2004 election, cumulatively, resulted in FEC findings of more than \$200 million in illegal soft money expenditures to influence the 2004 presidential election.

4. \_\_\_\_\_ American Leadership Project (ALP) have been engaged in activities to influence the 2008 presidential election that are similar to the activities found illegal by the Commission following the 2004 campaign. \_\_\_\_\_

\_\_\_\_\_ ALP is organized under section 527 of the IRC.

5. Neither \_\_\_\_\_ ALP is registered with the Commission as a political committee. However, on information and belief, each group has made "expenditures" or received "contributions" in excess \$1,000 and has a "major purpose" to influence federal elections. As such, they are federal political committees. \_\_\_\_\_ ALP are therefore required to register with the Commission under the federal campaign finance laws, 2 U.S.C. §432, and are subject to the federal contribution limits, source prohibitions and reporting requirements on the funds they receive. As political committees, each of these groups may not receive more than \$5,000 per year from an individual donor, and may not receive any union or corporate treasury funds whatsoever. 2 U.S.C. § 441a(a)(1)(C), 441b(a). These limits and prohibitions apply to all "political committees," including those that engage in independent spending. 11 C.F.R. §

110.1(n). Furthermore, as political committees, each of these groups is required to file periodic reports with the Commission, disclosing all receipts and disbursements. 2 U.S.C. § 434.

6. It is essential for the Commission to continue the enforcement actions it began after the 2004 elections against outside groups making illegal soft money expenditures. The Commission must do so in order to ensure that violators are held accountable and understand that there are consequences for breaking the law. The Commission should take appropriate actions to ensure that all groups which qualify as federal political committees register and operate pursuant to the laws that apply to such political committees.

**Standard for "political committee" status**

7. Section 431(4) of Title 2 defines the term "political committee" to mean "any committee, club, association or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4); *see also* 11 C.F.R. § 100.5(a). An "expenditure" is defined as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office...." 2 U.S.C. § 431(9)(A). Similarly, a "contribution," is defined as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." 2 U.S.C. § 431(8)(A). In addition, FEC regulations define a "contribution" to include funds received "in response to any communication ... if the communication indicates that any portion of the funds received will be used to support or oppose the election of a clearly identified Federal candidate." 11 C.F.R. § 100.57(a).

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8. Any entity which meets the definition of a "political committee" must file a "statement of organization" with the Federal Election Commission, 2 U.S.C. § 433, and periodic disclosure reports of its receipts and disbursements. 2 U.S.C. § 434. In addition, a "political committee" is subject to contribution limits, 2 U.S.C. §§ 441a(a)(1), 441a(a)(2), and source prohibitions, 2 U.S.C. § 441b(a), on the contributions it may receive and make. 2 U.S.C. § 441a(f). These rules apply even if the political committee is engaged only in independent spending. 11 C.F.R. § 110.1(n).

9. In *Buckley v. Valeo*, 424 U.S. 1 (1976), the Supreme Court construed the term "political committee" to "only encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate." 424 U.S. at 79 (emphasis added). Again, in *FEC v. Massachusetts Citizens for Life*, 479 U.S. 238 (1986), the Court invoked the "major purpose" test and noted that if an incorporated non-profit group's independent spending activities "become so extensive that the organization's major purpose may be regarded as campaign activity, the corporation would be classified as a political committee." 479 U.S. at 262 (emphasis added). In that instance, the Court continued, it would become subject to the "obligations and restrictions applicable to those groups whose primary objective is to influence political campaigns." *Id.* (emphasis added). The Court in *McConnell* restated the "major purpose" test for political committee status as iterated in *Buckley*. 540 U.S. at 170 n.64.

10. For the reasons set forth above, there is a two prong test for "political committee" status under the federal campaign finance laws: (1) whether an entity or other group of persons has the "major purpose" of influencing the "nomination or election of a candidate," as stated by *Buckley*, and if so, (2) whether the entity or other group of persons receives "contributions" or makes "expenditures" of at least \$1,000 or more in a calendar year.

**The American Leadership Project**

30. The American Leadership Project (ALP) is a group registered as a "political organization" under section 527 of the Internal Revenue Code. 26 U.S.C. § 527. It registered with the IRS by filing a Form 8871 on February 15, 2008. (Exh. N).

31. ALP has close ties to supporters of Senator Hillary Clinton's campaign. According to press reports, ALP was formed in February, 2008 by "major financial backers" of Senator Clinton, and its purpose was "to air television advertisements echoing her message that she is more qualified than Obama to fix the economy." M. Mosk, "Independent Group to Air TV Ads Echoing Clinton Attacks on Obama," *The Washington Post* (Feb. 21, 2008) (Exh. O).

32. According to one press report in April 2008 about ALP,

Almost all of the group's money has come from two unions that have endorsed Mrs. Clinton, the American Federation of State, County and Municipal Employees, which has contributed \$1.2 million, and the Machinists Union.

But the list of individual donors is telling in that eight of the nine people who gave \$5,000 or more to the group had already given the maximum \$2,300 donation for the primary to Mrs. Clinton's presidential campaign.

....

The group is filled with people who have ties to the Clintons: Roger Salazar, who worked in the press operation of the Clinton White House and is a political consultant in California, and Paul Rivera, another former Clinton White House staff member and senior political adviser for Senator John Kerry's presidential campaign in 2004 who worked on Mrs. Clinton's Senate campaign in 2000.

Jay Eisenhofer, a lawyer in New York who raised at least \$100,000 for Mrs. Clinton, making him a "Hillraiser," gave \$50,000 to the group. Richard Ziman, another Hillraiser and Los Angeles real estate magnate, contributed \$15,000, and William Titelman, a former Pennsylvania lobbyist and longtime Clinton fund-raiser who gave enough to spend a night in the Lincoln Bedroom, contributed \$10,000 and has helped the group raise money.

M. Luo, "Facing Obama Fund-Raising Juggernaut, Clinton Seeks New Sources of Cash," *The New York Times* (April 20, 2008) (Exh. P).

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33. In its first quarterly report filed with the IRS (Form 8872) (Exh. Q), covering the period February 15, 2008 to March 31, 2008, ALP reported contributions of \$1.16 million, including a contribution of \$1 million from AFSCME, a supporter of Senator Clinton's presidential campaign. ALP also received contributions from individuals of up to \$50,000 per donor. On this report, ALP disclosed expenditures of approximately \$790,000, most of which was listed for TV airtime and ad production.

34. In its second quarterly report, filed with the IRS (Exh. R), covering the period April 1, 2008 to June 30, 2008, ALP reported contributions of approximately \$2.3 million. This included additional contributions of \$1,160,000 from AFSCME and \$400,000 from the American Federation of Teachers, also a supporter of President Clinton's presidential campaign. In addition, ALP received contributions of \$250,000 from the International Union of Painters Organization, \$150,000 from the Sheet Metal Workers International Association, \$100,000 from the International Alliance of Theatrical Stage Employees, \$50,000 from the Office & Professional Employees International Union, \$50,000 from the Machinists Non-Partisan Political League, \$50,000 from the Bricklayers & Allied Craftworkers PAC, and a contribution of \$100,000 from an individual, Daniel S. Abraham. Each of these donors was a supporter of Senator Clinton's presidential campaign. The bulk of its reported expenditures were for TV buys.

35. Between February 22, 2008, and May 29, 2008, ALP filed multiple reports with the Commission disclosing expenditures for electioneering communications (Form 9). These expenditures were for TV ads that referred to Democratic presidential candidates Hillary Clinton and Barack Obama, and that supported Senator Clinton's election. The total disbursements for such electioneering communications was approximately \$3.4 million. In addition, ALP filed an electioneering disclosure report on August 21, 2008 to report an additional disbursement of

approximately \$78,000 for a radio ad that referred to Republican presidential candidate John McCain and that opposed Senator McCain's election.

36. According to the February 21 story about ALP in *The Washington Post* (Exh. O):

In the group's first ad, the television image shows a shuttered factory and a home in foreclose, and a voiceover says: "If speeches could create jobs, we wouldn't be facing a recession." The criticism of "speeches" closely mirrors a line of attack Clinton has used against Obama. ...

Supporters of the group, called the American Leadership Project, said yesterday that they decided to undertake the effort late last month, when Clinton was forced to lend her campaign \$5 million to try to minimize Obama's large fundraising advantage.

37. This press report also stated that ALP's ads were run in Texas and Ohio, the next Democratic primaries where Clinton was campaigning against Obama. As the *Post* story (Exh. O) noted, ALP "is advertising only in states where Clinton faces competitive primary contests. And the content of its first ad strongly hints that its purpose is to support her candidacy and oppose Obama's." Press reports stated that ALP spent approximately \$1 million on ads in Texas and Ohio immediately before the primary elections in those states.

38. In April, according to press reports, ALP spent \$700,000 on ads run in Indiana immediately before the primary election there. J. Kuhnenn, "Pro-Clinton group airing ad in Indiana," *Associated Press* (April 28, 2008) (Exh. S). As this article notes, "The Indiana ad would be the biggest single expenditure in a state for the mostly union financed group, called the American Leadership Project. ... The ad campaign could come at a crucial time for Clinton. The Democratic presidential race in Indiana is a dead heat, according to public opinion polls. Obama, the better-financed candidate, has been spending more than Clinton."

39. In early June, ALP spent \$300,000 to run ads in Montana and South Dakota, immediately before the primaries in those states. J. Kuhnenn, "Clinton looks for victory in

Puerto Rico primary," *Associated Press* (June 1, 2008) (Exh. T). The ad which ran in South Dakota, called "Squeezed," promoted the campaign of Senator Clinton. It stated<sup>2</sup>:

Gas and Food prices are squeezing South Dakota families from both ends. Hillary Clinton has the right plan to help 1) promote clean energy to create more good paying jobs in South Dakota 2) cut taxes for the middle class 3) eliminate the special tax breaks for the big oil companies. Call Hillary Clinton and tell her to keep fighting for the middle class. Paid for by the American Leadership Project which is responsible for its content. Not authorized by any candidate or candidate's committee.

An identical ad, referencing Montana, was run in that state before its primary.<sup>3</sup> A similar ad, called "Middle," which ran in Oregon before the primary in that state, also promoted the campaign of Senator Clinton. It stated<sup>4</sup>:

Gas and Food prices are squeezing Oregon families from both ends. Hillary Clinton has the right plan to help. Her plan focuses on clean energy, creating more good paying jobs right here. No wonder the Salem Statesman Journal wrote that Hillary Clinton gets the concerns of the middle class. Call Hillary Clinton and tell her to keep fighting for clean energy and good jobs. Paid for the American Leadership Project which is responsible for its content. Not authorized by any candidate or candidate's committee.

40. AIP also spent \$150,000 for ads in Puerto Rico right before the primary there.

According to one press report referring to ALP, "In a sign that her supporters were unwilling to give up, an outside group financed by her labor backers bought \$150,000 worth of television ads on the island promoting her views." J. Kuhnhehn, "Clinton looks for victory in Puerto Rico primary," *supra* (Exh. T).

41. Following the end of the primary season, ALP switched from promoting Senator Clinton and ran an ad that attacked Senator McCain, the Republican nominee for president. ALP

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<sup>2</sup> The South Dakota ad is available at <http://www.youtube.com/watch?v=nWrpUO8SOHo>

<sup>3</sup> The Montana ad is available at <http://www.youtube.com/watch?v=Cv2t3kZiP14&feature=user>

<sup>4</sup> The Oregon ad is available at <http://www.youtube.com/watch?v=NFOCtsCk0ZL&feature=user>



ran the following radio ad, entitled "More Money, More Problems," which was aired in Colorado during the Democratic convention in late August held in Denver. The ad stated<sup>5</sup>:

Gas prices across Colorado exceeded the four-dollar per gallon mark.  
Exxon/Mobil reported the biggest quarterly profit ever by a corporation.  
Demonstrators in Denver today rallied against big oil profits.

While Colorado families are struggling to make ends meet, Big Oil companies are enjoying record profits.

The John McCain solution?

More money for Big Oil. More problems for us.  
McCain wants to drill along our coastline, which experts say won't produce oil until 2018.

But he's repeatedly opposed incentives for proven renewable energies like wind and solar power.

McCain voted against requiring Big Oil to invest their windfall profits in clean energy and new jobs.

But he supports a \$4 billion tax break for America's five richest oil companies.  
That's not a path to energy independence.

Call John McCain at 202-224-2235 and tell him Coloradans need real solutions to America's energy crisis.

Visit [leadership-project.org](http://www.leadership-project.org). Paid for by the American Leadership Project, which is responsible for its content, not authorized by any candidate or candidate's committee.

42. On the home page of its website, ALP, which had promoted Senator Clinton during her primary battle with Senator Obama, now displays a box which reads, "Speak Out. Contact Senator Barack Obama and tell him to keep fighting for the issues that matter to the middle class." <http://www.leadership-project.org/preview/?p=25> (October 8, 2008).

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<sup>5</sup> The Colorado ad is available at [http://www.leadership-project.org/MoreMoneyMoreProblems\\_EN\\_RV.mp3](http://www.leadership-project.org/MoreMoneyMoreProblems_EN_RV.mp3)

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Count 2

43. On information and belief, ALP meets the test for "political committee" status.

On information and belief, it has made more than \$1,000 in "expenditures" or received more than \$1,000 in "contributions" and its "major purpose" is to influence federal elections. ALP has not registered as a political committee and has not complied with the contribution limits and reporting requirements applicable to political committees.

1. "Major purpose" prong

44. ALP is organized under section 527 of the Internal Revenue Code, 26 U.S.C. § 527, and thus, given its activities, is by definition a "political organization" that is operated "primarily" for the purpose of influencing candidate elections. Section 527 of the IRC provides tax exempt treatment for "exempt function" income received by any "political organization." The statute defines "political organization" to mean a "party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function." 26 U.S.C. § 527(e)(1) (emphasis added). An "exempt function" is defined to mean the "function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice Presidential electors...." 26 U.S.C. § 527(e)(2) (emphasis added). The Supreme Court said in *McConnell*, "Section 527 'political organizations' are, unlike § 501(c) groups, organized for the express purpose of engaging in partisan political activity." 540 U.S. at 174 n.67. The Court noted that 527 groups "by definition engage in partisan political activity." *Id.* at 177. A "political organization" as defined in section 527 must register as such with the Secretary of the Treasury, and must file periodic disclosure

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reports with the Secretary as required by section 527(j). ALP has registered as a "political organization" under section 527.

45. Thus, by definition, any entity that registers with the Secretary as a "political organization" under section 527 is "organized and operated primarily" for the purpose of "influencing or attempting to influence the selection, nomination, election or appointment of" an individual to public office. The Commission has cited the section 527 standard as identical to the "major purpose" prong of the test for "political committee" status. *See, e.g.,* Advisory Opinions 1996-13, 1996-3, 1995-11. Accordingly, a group that chooses to register as a "section 527 group" – including ALP – is, by definition, an entity "the major purpose of which is the nomination or election of a candidate...."<sup>6</sup>

46. On the basis of all of the facts and circumstances involving ALP, including its status as a section 527 "political organization," the purpose for which the organization was founded, the campaign-related activities of the founders and major donors to ALP and the activities undertaken by the organization, the Commission should find that ALP satisfies the "major purpose" prong of the "political committee" test as set forth in *Buckley*.

## 2. Expenditure/Contribution prong.

47. The other prong of the definition of "political committee" is met if an entity which meets the "major purpose" test also receives "contributions" or makes "expenditures" aggregating in excess of \$1,000 in a calendar year. Both "contributions" and "expenditures" are defined to mean funds received or disbursements made "for the purpose of influencing" any federal election. 2 U.S.C. § 431(8), (9).

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<sup>6</sup> This would be true in all instances other than a 527 organization which is organized and operated primarily for the purpose of influencing the selection or appointment of individuals to appointive office such as, *e.g.*, a judicial appointment. This exception does not apply here.

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48. The test of whether a group has made \$1,000 in “expenditures” is not limited by the “express advocacy” standard when applied to a section 527 group, such as ALP, as a federal district court in Washington, D.C. concluded last year. *See Shays v. FEC*, 511 F.Supp. 2d 19, 27 (D.D.C. 2007). Rather, the test for “expenditure” in this case is the statutory standard of whether disbursements have been made “for the purpose of influencing” any federal election, regardless of whether the disbursements were for any “express advocacy” communication. The Supreme Court made clear in *Buckley* that the “express advocacy” standard does not apply to an entity, like a section 527 group, which has the major purpose of influencing candidate elections and is thus not subject to concerns of vagueness in drawing a line between issue discussion and electioneering activities. Groups such as section 527 “political organizations” are formed for the principal purpose of influencing candidate elections and, as explained by the Court in *Buckley*, expenditures by such groups “can be assumed to fall within the core area sought to be addressed by Congress. They are, by definition, campaign related.” 424 U.S. at 79. The Court affirmed this position in *McConnell*. 540 U.S. at 170, n.64. Thus, the “express advocacy” test, which the Supreme Court in *McConnell* deemed to be “functionally meaningless,” 540 U.S. at 217, is not relevant to the question of whether a section 527 organization is making expenditures to influence the election of federal candidates.

49. In *Shays v. FEC*, *supra*, the federal district court stated that it was a “misreading” of *Buckley* to apply the “express advocacy” test to determine “expenditures” by groups which have as their “major purpose” to influence elections. The district court said the Supreme Court “imposed the narrowing gloss of ‘express advocacy’ on the term ‘expenditure’ only with regard to groups other than ‘major purpose’ groups.” *Id.* at 27. The district court added that “having misinterpreted *Buckley*, the FEC is applying the express advocacy requirement to expenditures in

cases where it is unnecessary." *Id.* This is a case where applying the express advocacy test would be unnecessary.

50. ALP has made "expenditures" in amounts far in excess of the \$1,000 threshold for political committee status. These expenditures have been made for broadcast advertisements that promoted Senator Clinton during the 2008 presidential primaries, and after the primaries were over, that attacked Senator McCain, the presumptive- Republican nominee for president. These ads have been "for the purpose of influencing" federal elections, and thus constitute "expenditures" under the law.

51. Even if the Commission were to incorrectly decide that the "express advocacy" test does apply to section 527 groups, however, the ads run by ALP meet the standard for express advocacy in section 100.22(b) of the Commission's regulations. The Commission regulations define "express advocacy" to include a communication that "when taken as a whole and with limited reference to external events...could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more candidates because the electoral portion of the communication is unmistakable, unambiguous and suggestive of only one meaning and reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidates or encourages some other kind of action." 11 C.F.R. § 100.21(b). The ads run by ALP, when taken as a whole, can only be interpreted by a reasonable person as advocating the election of Senator Clinton, or advocating the defeat of Senator McCain. Thus, the ads meet the Commission's existing regulatory definition of "express advocacy" and the disbursements for the ads constitute "expenditures."

52. Given the facts and circumstances regarding the contributors to ALP, the Commission also should investigate whether the funds raised by ALP for its ads were received in

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response to any solicitation that indicated that any portion of the funds received would be used "to support" Senator Clinton's election, or "to oppose" Senator McCain's election. If so, the funds constitute "contributions" to ALP, 11 C.F.R. § 100.57(a), and if in excess of \$1,000, satisfy the "contribution prong of the test for political committee status.

#### **Summary**

53. On information and belief, the "major purpose" \_\_\_\_\_ of ALP each is to support or oppose the election of one or more federal candidates, and each has spent more than \$1,000 in "expenditures" or received more than \$1,000 in "contributions" for this purpose. The Commission accordingly should investigate and determine whether each respondent is a "political committee" under the Act. The respondents have not filed a statement of organization as a political committee, as required by 2 U.S.C. § 432, have not complied with the reporting requirements of 2 U.S.C. § 434, and have not complied with the contribution limits of 2 U.S.C. § 441a and, in the case of ALP, the source prohibitions of 2 U.S.C. § 441b. The Commission should investigate and determine whether each respondent has violated the law in this regard.

#### **Disclosure**

54. The Commission and the public, including the complainant, are not receiving full and accurate public disclosure of the funds raised and spent by each respondent, as required by FECA. If the Commission determines that \_\_\_\_\_ ALP are each a political committee, the funds received by each respondent are "contributions" subject to the mandatory federal reporting requirements of FECA and are required to be fully disclosed to the Commission and to the public, 2 U.S.C. § 434, including complainant.

55. \_\_\_\_\_

\_\_\_\_\_

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56. The donations received by ALP, as a section 527 group which is not reporting to the Commission as a federal political committee, are subject to reporting to the Internal Revenue Service only under 26 U.S.C. § 527 and such disclosure may be avoided altogether if the recipient chooses to pay income tax on the donation. Further, section 527, unlike the FECA requirements applicable to political committees, does not require the reporting of the aggregate amount of un-itemized contributions received by the group, so there is no basis to determine the total aggregate amount raised by such a section 527 group. Thus, to the extent that ALP is wrongly treating contributions required to be reported under FECA instead as donations to a section 527 account, the public, including complainant, and the Commission have no assurance that all contributions required to be disclosed under FECA are properly being disclosed, or that the total amount of contributions to ALP is being disclosed.

**Prayer for Relief**

57. Wherefore, the Commission should conduct an immediate investigation under 2 U.S.C. §437g, to determine whether \_\_\_\_\_ the American Leadership Project have each violated 2 U.S.C. §§ 432, 434, 441a and, in the case of ALP, § 441b(a), and if so, whether each respondent has engaged in knowing and willful violations under 2 U.S.C. § 437g(a)(5)(B), (C) and § 437g(d). If any such violations have occurred, the Commission should impose appropriate sanctions for such violations, should enjoin each respondent from all such

violations in the future, and should impose such additional remedies as are necessary and appropriate to ensure compliance with FECA.

58. In addition, the Commission should investigate to determine whether the individuals who are serving and who have served as the organizers, managers and leaders of [ ] [ ] ALP, including major donors who are playing or who have played such a role, have violated the same laws, and, if so, whether they have engaged in knowing and willful violations under 2 U.S.C. § 437g(a)(5)(B), (C) and § 437g(d). If any such violations have occurred, the Commission should impose appropriate sanctions for such violations, should enjoin each respondent from all such violations in the future, and should impose such additional remedies as are necessary and appropriate to ensure compliance with FECA.

Respectfully submitted,



Democracy 21, by  
Fred Wertheimer  
1875 I Street, NW, Suite 500  
Washington, DC 20006  
202-429-2008

October 10, 2008



Verification

The complainant listed below hereby verifies that the statements made in the attached Complaint, upon information and belief, are true.

Sworn to pursuant to 18 U.S.C. § 1001.

For Complainant Democracy 21



Fred Wertheimer

Sworn to and subscribed before me this 10 day of October.

  
Notary Public

Michael Aaron Burke  
Notary Public, State of Columbia  
My Commission Expires 10-14-2008

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**Political Organization  
Notice of Section 527 Status**

OMB No. 1545-1003

**Part I General Information**

1 Name of organization **American Leadership Project** Employer identification number **33 - 1203819**

2 Mailing address (P.O. box or number, street, and room or suite number)  
**2261 Market Street, PMB 319**

City or town, state, and ZIP code  
**San Francisco, CA 94114**

3 Check applicable box: ☒ Initial notice ☐ Amended notice ☐ Final notice

4a Date established **02/15/2008** 4b Date of material change

5 E-mail address of organization  
**no@email**

6a Name of custodian of records **Nancy Warren** 6b Custodian's address  
**2261 Market Street, PMB 319  
San Francisco, CA 94114**

7a Name of contact person **Roger V. Salazar** 7b Contact person's address  
**1005 12th Street, Suite A  
Sacramento, CA 95814**

8 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number  
**2261 Market Street, PMB 319**  
City or town, state, and ZIP code  
**San Francisco, CA 94114**

9a Election authority **NONE** 9b Election authority identification number

**Part II Notification of Claim of Exemption From Filing Certain Forms (see instructions)**

10a Is this organization claiming exemption from filing Form 8872, Political Organization Report of Contributions and Expenditures, as a qualified state or local political organization? Yes ☐ No ☒

10b If 'Yes,' list the state where the organization files reports:

11 Is this organization claiming exemption from filing Form 990 (or 990-EZ), Return of Organization Exempt from Income Tax, as a caucus or association of state or local officials? Yes ☐ No ☒

**Part III Purpose**

12 Describe the purpose of the organization  
**Section 527 political committee**

**EXHIBIT N**

**Part IV List of All Related Entities (see instructions)****13 Check if the organization has no related entities.**☒

14a Name of related entity	14b Relationship	14c Address
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**Part V List of All Officers, Directors, and Highly Compensated Employees (see instructions)**

15a Name	15b Title	15c Address
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Roger V. Salazar	President	1005 12th Street, Suite A Sacramento, CA 95814
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Under penalties of perjury, I declare that the organization named in Part I is to be treated as a tax-exempt organization described in section 527 of the Internal Revenue Code, and that I have examined this notice, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that I am the official authorized to sign this report, and I am signing by entering my name below.

Roger V. Salazar

02/15/2008

**Sign  
Here**

Name of authorized official

Date

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# EXHIBIT O

washingtonpost.com

## Independent Group to Air TV Ads Echoing Clinton Attacks on Obama

Advertisement

By Matthew Mosk  
Washington Post Staff Writer  
Thursday, February 21, 2008; A07

As Sen. Hillary Rodham Clinton launches fresh attacks on Sen. Barack Obama after a string of electoral defeats, several of her major financial backers have formed an independent group to air television advertisements echoing her message that she is more qualified than Obama to fix the economy.

In the group's first ad, the television image shows a shuttered factory and a home in foreclosure, and a voiceover says: "If speeches could create jobs, we wouldn't be facing a recession." The criticism of "speeches" closely mirrors a line of attack Clinton has used against Obama.

The decision to launch the independent group, known as a "527" because of its tax code designation, coincides with an increasingly aggressive approach being taken by Clinton in advance of March 4 contests in Ohio and Texas that could determine the Democratic nominee. The Obama campaign compared the effort to the "Swift boat" ads that helped sink Democratic Sen. John F. Kerry's 2004 presidential bid.

Supporters of the group, called the American Leadership Project, said yesterday that they decided to undertake the effort late last month, when Clinton was forced to lend her campaign \$5 million to try to minimize Obama's large fundraising advantage. Unlike a political campaign, the group can accept as much as money as supporters want to give.

Campaign finance reports filed yesterday showed that Obama outdid Clinton in fundraising last month, collecting \$36 million. Clinton's campaign said she will report raising \$13.9 million. And while Clinton finance officials said yesterday that this month has been the campaign's strongest month for fundraising, there are signs that she continues to lag behind Obama. While Clinton aides reported raising \$1 million a day during the first half of the month, an Obama adviser described one recent day that yielded \$2.4 million. And in an e-mail Clinton sent to supporters yesterday, she said she was outspent 4 to 1 on television ads in Wisconsin, where she lost decisively on Tuesday.

Though the independent ads could help bring greater parity on television for the Clinton campaign in Texas and Ohio, where they are set to air, they may carry a steep price for the entity behind them. Such a group faces tight federal restrictions on how it can operate and what it can say in advertising. A 527 cannot have as its primary purpose the election of a candidate, and the law limits it to running ads about issues, not ones that plainly advocate for Clinton's election or defeat. The group cannot have any contact with the Clinton campaign. Violations could subject organizers and donors to stiff fines.

EXHIBIT O

29044243169

Campaign finance reform experts said there are troubling aspects in the American Leadership Project's mission. The group is not part of an established effort to exert political influence in Washington, and it first officially surfaced in filings with the Internal Revenue Service on Feb. 15. It is advertising only in states where Clinton faces competitive primary contests. And the content of its first ad strongly hints that its purpose is to support her candidacy and oppose Obama's.

"This pop-up 527 group clearly has been created to spend unlimited soft money to influence the presidential election," said Fred Wertheimer, of the group Democracy 21, after reviewing the ad. "As far as the duck test goes: It looks like a campaign ad; it sounds like a campaign ad; it's a campaign ad."

Jason Kinney, a California political strategist who helped form the group, said its organizers recognized that they are wading into "a new and developing area of the law, but we've taken every step and are as confident as we can be that we are adhering to all of the regulations."

The Obama campaign released a memo yesterday saying that the group has already crossed those lines. "Here we have a committee that springs up on the eve of an election, promotes a specific candidate, and has no history or apparent purpose of lobbying specific issues outside the benefit to the candidate of these communications," the memo states. "Its 'major purpose' is no mystery."

The undertaking could also prove embarrassing. One of the group's founders, New York political strategist Paul Rivera, is a veteran of the Clinton White House and Kerry's presidential campaign. But a year ago, he reached out to Obama's campaign for consulting work. In a Feb. 23, 2007, memo that he sent to the campaign, Rivera described Clinton's candidacy as "doing the same, old traditional politics," and he added that "Senator Obama has a potent change message and is clearly a superior political talent."

Rivera confirmed yesterday that the memo was his, but he declined to comment on it. Kinney said all he knew about Rivera was that "he cares about the same issues we care about." He would not identify any of the group's financial patrons.

Roger V. Salazar, a Clinton administration official who is the group's designated spokesman, used carefully selected language to describe the undertaking.

"We want to communicate to people where they're paying the most attention right now. Right now, that's Ohio and Texas," he said. "Senator Clinton is a recognized champion of these issues, and we support her positions on health care, the mortgage crisis, the economy, and we say so in the spots. These are positive ads that serve to raise awareness about the issues."

The independent effort, first exposed on political blogs run by the Atlantic magazine and ABC News, came as candidates filed reports to the Federal Election Commission detailing their January fundraising efforts. Obama (Ill.), Clinton (N.Y.) and Republican Sen. John McCain (Ariz.) showed dramatic increases in the amounts they raised and spent in January, the first month when they faced caucus and primary contests.

Obama's report indicated that he spent nearly \$30 million last month, including \$7.8 million on television ads in the final week, as he approached Super Tuesday. Obama finished the month with \$18.9 million in cash and \$1.1 million in outstanding payments.

Clinton's \$27.6 million in spending left her with \$8.6 million in the bank and \$7.5 million in debts.

McCain's report showed that he spent \$10.3 million of the \$11.6 million he raised, much of it on television ads and automated telephone calls. He finished the month with \$5.2 million in cash and \$5.5 million in debts.

Former Arkansas governor Mike Huckabee (R) raised just under \$4 million last month, most of it on the heels of his victory in the Iowa caucuses. He spent \$4.9 million, leaving him with just under \$1 million.

*Database editor Sarah Cohen, staff researcher Madonna Lebling and research editor Alice Crites contributed to this report.*

**Post a Comment**

**View all comments** that have been posted about this article.

29044243172

# EXHIBIT P



The New York Times

April 20, 2008 Sunday  
Late Edition - Final

## Facing Obama Fund-Raising Juggernaut, Clinton Seeks New Sources of Cash

**BYLINE:** By MICHAEL LUO; Griff Palmer contributed reporting.

**SECTION:** Section A; Column 0; National Desk; Pg. 21

**LENGTH:** 1450 words

Senator Barack Obama is swamping Senator Hillary Rodham Clinton with television advertising in their prolonged battle for the Democratic nomination, putting fresh pressure on Mrs. Clinton's fund-raising machine to find new sources of money to help her keep pace.

But her big-dollar fund-raising apparatus that was once the envy of the political world is encountering obstacles as many of those in its regular networks of donors have reached the maximum on their personal contributions or grown tired of the relentless press for donations.

The campaign is actively hunting for new wellsprings of cash, while tapped-out donors who want to give more are contemplating financing independent efforts on her behalf that are not bound by contribution limits. So far, however, the independent efforts have been halting at best.

The scramble for fresh resources comes as the money gap between the two candidates is growing. In March, largely because of a continued advantage in small donations given over the Internet, Mr. Obama was able to raise twice what Mrs. Clinton brought in, collecting \$40 million compared with her \$20 million. He has been spending it freely in Pennsylvania, hoping to stymie Mrs. Clinton in a contest that could determine whether she stays in the race.

In the weeks leading up to Tuesday's primary, Mr. Obama has spent more than double Mrs. Clinton's budget on television advertising — \$8.1 million to her \$3.2 million, according to the most recent figures available from the Campaign Media Analysis Group, which tracks advertising spending. And with two weeks before more primaries on May 6, Mr. Obama is spending four times Mrs. Clinton's television budget in Indiana and double her North Carolina total.

The Obama fund-raising juggernaut has some of Mrs. Clinton's most devoted supporters worried and searching for a new way to support her candidacy. Alan Patricof, a national finance chairman for Mrs. Clinton, said four people had called him in the past month to discuss starting a so-called 527 group — named for the section of the tax code the groups are organized under — on her behalf.

"These are people who have maxed out to Hillary and would like to do a lot more but know they cannot do it through the campaign and thus are looking for other legal ways to give and raise more money under a different status," Mr. Patricof said. "As I have pointed out, once they do that, they can no longer participate in the finance committee calls and they have to do it outside and away from the campaign itself."

Such groups are potentially attractive for affluent donors because contributions are not capped as they are

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But this time, she said, she did not ask for people to bundle contributions of \$10,000, \$25,000 or \$50,000 at a time, as she had done in the past. Instead, she invited a broader circle of people who were asked to cobble together amounts like \$3,000 or \$5,000. She also opened the event to children, which resulted in mothers bringing their daughters. The event grossed \$250,000, she said.

Discussions about independent efforts cropped up this year among Clinton backers, when the campaign found itself essentially in the red leading up to the crush of states that voted on Feb. 5, forcing Mrs. Clinton to lend her campaign \$5 million.

Mrs. Clinton has not denounced the groups, though this year her campaign accused Mr. Obama of hypocrisy for what they said was his muted response to a 527 group advertising on his behalf after he had decried the influence of such groups.

The campaign's fund-raising has since improved, driven by its own surge in online donations. But with Mr. Obama raising and spending so much, the conversations have surfaced anew.

"These are very smart people who are being very thoughtful about it," said Ms. Dozoretz, a former finance chairwoman of the Democratic National Committee.

One idea considered by some Clinton supporters has been a 527 effort to press for the delegates to be seated in Florida and Michigan, but it has yet to get off the ground.

Despite a pre-emptive warning from Robert Bauer, a campaign finance expert and lawyer for Mr. Obama's campaign, the organizers of the American Leadership Project have plunged ahead.

The group is filled with people who have ties to the Clintons: Roger Salazar, who worked in the press operation of the Clinton White House and is a political consultant in California, and Paul Rivera, another former Clinton White House staff member and senior political adviser for Senator John Kerry's presidential campaign in 2004 who worked on Mrs. Clinton's Senate campaign in 2000.

Jay Eisenhofer, a lawyer in New York who raised at least \$100,000 for Mrs. Clinton, making him a "Hillraiser," gave \$50,000 to the group. Richard Ziman, another Hillraiser and Los Angeles real estate magnate, contributed \$15,000, and William Titelman, a former Pennsylvania lobbyist and longtime Clinton fund-raiser who gave enough to spend a night in the Lincoln Bedroom, contributed \$10,000 and has helped the group raise money.

URL: <http://www.nytimes.com>

LOAD-DATE: April 20, 2008

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

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**EXHIBIT Q**

**Political Organization  
Report of Contributions and Expenditures**

OMB No. 1545-1686

► See separate instructions.

**A** For the period beginning 02/15/2008 and ending 03/31/2008

**B** Check applicable box: ☒ Initial report ☐ Change of address ☐ Amended report ☐ Final report

**1** Name of organization American Leadership Project **Employer identification number**  
33 - 1203819

**2** Mailing address (P.O. box or number, street, and room or suite number)  
2261 Market Street, PMB 319

**City or town, state, and ZIP code**  
San Francisco, CA 94114

**3** E-mail address of organization:  
no@email

**4** Date organization was formed:  
02/15/2008

**5a** Name of custodian of records  
Nancy Warren

**5b** Custodian's address  
2261 Market Street, PMB 319  
San Francisco, CA 94114

**6a** Name of contact person  
Roger V. Salazar

**6b** Contact person's address  
1005 12th Street, Suite A  
Sacramento, CA 95814

**7** Business address of organization (if different from mailing address shown above). Number, street, and room or suite number  
2261 Market Street, PMB 319

**City or town, state, and ZIP code**  
San Francisco, CA 94114

**8** Type of report (check only one box)

☒ First quarterly report  
(due by April 15)  
☐ Second quarterly report  
(due by July 15)  
☐ Third quarterly report  
(due by October 15)  
☐ Year-end report  
(due by January 31)  
☐ Mid-year report (Non-election  
year only due by July 31)

☐ Monthly report for the month of:  
(due by the 20th day following the month shown above, except the  
December report, which is due by January 31)  
☐ Pre-election report (due by the 12th or 15th day before the election)  
(1) Type of election:  
(2) Date of election:  
(3) For the state of:  
☐ Post-general election report (due by the 30th day after general election)  
(1) Date of election:  
(2) For the state of:

**9** Total amount of reported contributions (total from all attached Schedules A).....**9. \$ 1161485**

**10** Total amount of reported expenditures (total from all attached Schedules B).....**10. \$ 790007**

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Nancy L. Warren

04/15/2008

**Sign  
Here**

Signature of authorized official

Date

**EXHIBIT Q**

**Schedule A Itemized Contributions****Schedule A**

<b>Contributor's name, mailing address and ZIP code</b> Democrats for the Future 20 Park Road Suite B Burlingame, CA 94010	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/22/2008
<b>Contributor's name, mailing address and ZIP code</b> Dain Rauscher Inc. 1900 K Street NW Ste 750 Washington, DC 20005	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Norma Hoon 625 Park Avenue New York, NY 10021	<b>Name of contributor's employer</b> Not employed <b>Contributor's occupation</b> Not employed <b>Aggregate contributions year-to-date</b> \$ 2000	<b>Amount of contribution</b> \$ 2000 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Amer Federation of State County Munic Emps AFSCME 1625 L Street Washington, DC 20036 - 5687	<b>Name of contributor's employer</b> NA <b>Contributor's occupation</b> NA <b>Aggregate contributions year-to-date</b> \$ 1000000	<b>Amount of contribution</b> \$ 1000000 <b>Date of contribution</b> 02/29/2008
<b>Contributor's name, mailing address and ZIP code</b> Monica Graham 20 Borden Lane East Hampton, NY 11937	<b>Name of contributor's employer</b> Graham Partners <b>Contributor's occupation</b> Investment <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Richard Wollack PO Box 3989 Napa, CA 94558	<b>Name of contributor's employer</b> Premier Pacific Vineyards <b>Contributor's occupation</b> Vintner <b>Aggregate contributions year-to-date</b> \$ 2500	<b>Amount of contribution</b> \$ 2500 <b>Date of contribution</b> 02/25/2008
<b>Contributor's name, mailing address and ZIP code</b> Olivia Watson 7305 Belle Meade Island Miami, FL 33138	<b>Name of contributor's employer</b> Self-employed <b>Contributor's occupation</b> Realtor <b>Aggregate contributions year-to-date</b> \$ 1000	<b>Amount of contribution</b> \$ 1000 <b>Date of contribution</b> 02/27/2008
<b>Contributor's name, mailing address and ZIP code</b> Chris Steinborn 4602 Iris Street Rockville, MD 20853	<b>Name of contributor's employer</b> US Dept of Commerce NOAA <b>Contributor's occupation</b> Computer Specialist <b>Aggregate contributions year-to-date</b> \$ 250	<b>Amount of contribution</b> \$ 250 <b>Date of contribution</b> 02/27/2008
<b>Contributor's name, mailing address and ZIP code</b> Selman Asher 255 W 17th St Apt 4B New York, NY 10011	<b>Name of contributor's employer</b> D4C <b>Contributor's occupation</b> Physician <b>Aggregate contributions year-to-date</b> \$ 250	<b>Amount of contribution</b> \$ 250 <b>Date of contribution</b> 02/27/2008
<b>Contributor's name, mailing address and ZIP code</b> William A.K. Thelen 3303 Water Street NW SN Washington, DC 20007	<b>Name of contributor's employer</b> Bernstein Liebman & Liebman LLP <b>Contributor's occupation</b> Attorney <b>Aggregate contributions year-to-date</b> \$ 10000	<b>Amount of contribution</b> \$ 10000 <b>Date of contribution</b> 02/22/2008

29044243178

Contributor's name, mailing address and ZIP code  
Michelle Dunkerley  
PO Box 1220  
Mercer Island, WA 98040

Name of contributor's employer  
Prona Verde  
Contributor's occupation  
President and Publisher  
Aggregate contributions year-to-date  
\$ 20000

Amount of contribution  
\$ 7000  
Date of contribution  
02/21/2008

Contributor's name, mailing address and ZIP code  
Michelle Dunkerley  
PO Box 1220  
Mercer Island, WA 98040

Name of contributor's employer  
Prona Verde  
Contributor's occupation  
President and Publisher  
Aggregate contributions year-to-date  
\$ 20000

Amount of contribution  
\$ 13000  
Date of contribution  
02/22/2008

Contributor's name, mailing address and ZIP code  
Paul Goldenborg  
1963 Turnin Road  
LaHabra Heights, CA 90631

Name of contributor's employer  
Paul's TV  
Contributor's occupation  
Owner  
Aggregate contributions year-to-date  
\$ 15000

Amount of contribution  
\$ 15000  
Date of contribution  
02/22/2008

Contributor's name, mailing address and ZIP code  
Stephen P. Kennedy  
233 Home Place  
Glenwood Springs, CO 81601

Name of contributor's employer  
Kennedy Construction Ltd.  
Contributor's occupation  
Owner  
Aggregate contributions year-to-date  
\$ 25000

Amount of contribution  
\$ 25000  
Date of contribution  
02/21/2008

Contributor's name, mailing address and ZIP code  
Jay Eisenhofer  
485 Lexington Avenue 29th FL.  
New York, NY 10017

Name of contributor's employer  
Grant & Eisenhofer  
Contributor's occupation  
Founder and Managing Partner  
Aggregate contributions year-to-date  
\$ 50000

Amount of contribution  
\$ 50000  
Date of contribution  
02/22/2008

Contributor's name, mailing address and ZIP code  
Jane Hickie  
1130 Saxon Way  
Menlo Park, CA 94025

Name of contributor's employer  
Stanford University  
Contributor's occupation  
Staff  
Aggregate contributions year-to-date  
\$ 5000

Amount of contribution  
\$ 5000  
Date of contribution  
02/22/2008

Contributor's name, mailing address and ZIP code  
Aggregate Below Threshold  
2261 Market Street, FMB 319  
San Francisco, CA 94114

Name of contributor's employer  
NA  
Contributor's occupation  
NA  
Aggregate contributions year-to-date  
\$ 485

Amount of contribution  
\$ 485  
Date of contribution  
03/31/2008

29044243179

**Schedule B Itemized Expenditures****Schedule B****Recipient's name, mailing address and ZIP code**

Davis Group Inc  
3601 S Congress Ave B-100  
Austin, TX 78701

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 513354  
Date of expenditure  
02/29/2008

**Purpose of expenditure**

TV airtime

**Recipient's name, mailing address and ZIP code**

Buying Time  
2715 M Street NW  
Washington, DC 20007

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 144000  
Date of expenditure  
03/03/2008

**Purpose of expenditure**

TV airtime

**Recipient's name, mailing address and ZIP code**

SocChange LLC  
8609 West Knoll Drive  
West Hollywood, CA 90069

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 30942  
Date of expenditure  
02/22/2008

**Purpose of expenditure**

TV ad production

**Recipient's name, mailing address and ZIP code**

Point of View Productions  
400 Gordon Drive  
Exton, PA 19341

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 33000  
Date of expenditure  
03/03/2008

**Purpose of expenditure**

TV ad production

**Recipient's name, mailing address and ZIP code**

Heninger Media Services  
2601A Wilson Blvd  
Arlington, VA 22201

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 1410  
Date of expenditure  
02/29/2008

**Purpose of expenditure**

TV airtime

**Recipient's name, mailing address and ZIP code**

Heninger Media Services  
2601A Wilson Blvd  
Arlington, VA 22201

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 4394  
Date of expenditure  
03/03/2008

**Purpose of expenditure**

TV airtime

**Recipient's name, mailing address and ZIP code**

Heninger Media Services  
2601A Wilson Blvd  
Arlington, VA 22201

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 2100  
Date of expenditure  
03/03/2008

**Purpose of expenditure**

TV airtime

**Recipient's name, mailing address and ZIP code**

Corbis Corp  
902 Broadway Ste 5  
New York, NY 10010 - 6002

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 3600  
Date of expenditure  
03/03/2008

**Purpose of expenditure**

Stock Photo Images

**Recipient's name, mailing address and ZIP code**

Revolution Media  
2566 Overland Avenue  
Los Angeles, CA 90064

**Name of recipient's employer**

NA  
Recipient's occupation  
NA

**Amount of Expenditure**

\$ 2700  
Date of expenditure  
02/29/2008

**Purpose of expenditure**

Ohio Nielsen Ratings

29044243180



<b>Recipient's name, mailing address and ZIP code</b> Getty Images 75 Varick Street New York, NY 10013	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 1920 <b>Date of expenditure</b> 03/03/2008
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**Purpose of expenditure**  
Stock photo images

<b>Recipient's name, mailing address and ZIP code</b> Baker Sound Studio Inc 1821 Ranstead Street Philadelphia, PA 19103 - 3714	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 1068 <b>Date of expenditure</b> 03/03/2008
--	--	---

**Purpose of expenditure**  
Voicover

<b>Recipient's name, mailing address and ZIP code</b> SeeChange Media LLC 8609 West Knoll Drive West Hollywood, CA 90069	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 4000 <b>Date of expenditure</b> 03/03/2008
---	--	---

**Purpose of expenditure**  
Commission

<b>Recipient's name, mailing address and ZIP code</b> Accesa Salazar LLC 1005 12th Street Sacramento, CA 95814	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 10251 <b>Date of expenditure</b> 02/22/2008
---	--	--

**Purpose of expenditure**  
Campaign consulting

<b>Recipient's name, mailing address and ZIP code</b> Jason Kinney 980 9th Street Sacramento, CA 95814	<b>Name of recipient's employer</b> California Strategies <b>Recipient's occupation</b> Consultant	<b>Amount of Expenditure</b> \$ 5000 <b>Date of expenditure</b> 02/22/2008
---	---	---

**Purpose of expenditure**  
Consulting

<b>Recipient's name, mailing address and ZIP code</b> Accesa Salazar LLC 1005 12th Street Sacramento, CA 95814	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 10000 <b>Date of expenditure</b> 03/05/2008
---	--	--

**Purpose of expenditure**  
Media relations

<b>Recipient's name, mailing address and ZIP code</b> Jason Kinney 980 9th Street Sacramento, CA 95814	<b>Name of recipient's employer</b> California Strategies <b>Recipient's occupation</b> Consultant	<b>Amount of Expenditure</b> \$ 5000 <b>Date of expenditure</b> 03/05/2008
---	---	---

**Purpose of expenditure**  
Consulting

<b>Recipient's name, mailing address and ZIP code</b> Jason Kinney 980 9th Street Sacramento, CA 95814	<b>Name of recipient's employer</b> California Strategies <b>Recipient's occupation</b> Consultant	<b>Amount of Expenditure</b> \$ 10000 <b>Date of expenditure</b> 03/19/2008
---	---	--

**Purpose of expenditure**  
Website design and maintenance

<b>Recipient's name, mailing address and ZIP code</b> Warron & Associates LLC 2261 Market Street, PMB 319 San Francisco, CA 94114	<b>Name of recipient's employer</b> NA <b>Recipient's occupation</b> NA	<b>Amount of Expenditure</b> \$ 6140 <b>Date of expenditure</b> 03/05/2008
--	--	---

**Purpose of expenditure**  
Accounting services

29044243181

Recipient's name, mailing address and ZIP code  
Aggregate Below Threshold  
2261 Market Street, PMB 319  
San Francisco, CA 94114

Name of recipient's employer  
NA  
Recipient's occupation  
NA

Amount of Expenditure  
\$ 1128  
Date of expenditure  
03/31/2008

Purpose of expenditure  
Bank fees and misc production cost

---

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# EXHIBIT R

Form  
(November 2002)

8872

**Political Organization  
Report of Contributions and Expenditures**

OMB No. 1545-1006

Department of the Treasury  
Internal Revenue Service

► See separate instructions.

**A** For the period beginning 04/01/2008

and ending 06/30/2008

**B** Check applicable box: ☒ Initial report ☐ Change of address ☐ Amended report ☐ Final report

**1** Name of organization

American Leadership Project

**Employer identification number**

33 - 1203819

**2** Mailing address (P.O. box or number, street, and room or suite number)

2261 Market Street #319

**City or town, state, and ZIP code**

San Francisco, CA 94114 - 1600

**3** E-mail address of organization:

no@gmail

**4** Date organization was formed:

02/19/2008

**5a** Name of custodian of records

Nancy L. Warren

**5b** Custodian's address

2261 Market Street PMB 319

San Francisco, CA 94114 - 1600

**6a** Name of contact person

Jason Kinney

**6b** Contact person's address

980 9th Street Suite 2000

Sacramento, CA 95814

**7** Business address of organization (if different from mailing address shown above). Number, street, and room or suite number

2261 Market Street PMB 319

**City or town, state, and ZIP code**

San Francisco, CA 94114 - 1600

**8** Type of report (check only one box)

☐ First quarterly report  
(due by April 15)

☒ Second quarterly report  
(due by July 15)

☐ Third quarterly report  
(due by October 15)

☐ Year-end report  
(due by January 31)

☐ Mid-year report (Non-election  
year only-due by July 31)

☐ Monthly report for the month of:

(due by the 20th day following the month shown above, except the  
December report, which is due by January 31)

☐ Pre-election report (due by the 12th or 15th day before the election)

(1) Type of election:

(2) Date of election:

(3) For the state of:

☐ Post-general election report (due by the 30th day after general election)

(1) Date of election:

(2) For the state of:

**9** Total amount of reported contributions (total from all attached Schedules A).....9. \$ 2297590

**10** Total amount of reported expenditures (total from all attached Schedules B).....10. \$ 2555727

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Nancy L. Warren

07/15/2008

**Sign  
Here**

Signature of authorized official

Date

**EXHIBIT R**

29044243184

Schedule A Itemized Contributions		Schedule A
Contributor's name, mailing address and ZIP code Abraham, S. Daniel 777 S Flagler Drive East Tower Suite 1000 West Palm Beach, FL 33401 - 0000	Name of contributor's employer Simplifast Contributor's occupation CEO Aggregate contributions year-to-date \$ 100000	Amount of contribution \$ 100000 Date of contribution 04/25/2008
Contributor's name, mailing address and ZIP code Aggregated contributions under \$200 2261 Market Street PMB 319 San Francisco, CA 94114 - 1600	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1050	Amount of contribution \$ 1050 Date of contribution 06/30/2008
Contributor's name, mailing address and ZIP code Amer Fed of State Cnty Muni Emps AFSCME 1625 L Street NW Washington, DC 20036	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1160000	Amount of contribution \$ 200000 Date of contribution 04/18/2008
Contributor's name, mailing address and ZIP code Amer Fed of State Cnty Muni Emps AFSCME 1625 L Street NW Washington, DC 20036	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1160000	Amount of contribution \$ 250000 Date of contribution 04/25/2008
Contributor's name, mailing address and ZIP code Amer Fed of State Cnty Muni Emps AFSCME 1625 L Street NW Washington, DC 20036	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1160000	Amount of contribution \$ 100000 Date of contribution 05/20/2008
Contributor's name, mailing address and ZIP code Amer Fed of State Cnty Muni Emps AFSCME 1625 L Street NW Washington, DC 20036	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1160000	Amount of contribution \$ 260000 Date of contribution 05/21/2008
Contributor's name, mailing address and ZIP code Amer Fed of State Cnty Muni Emps AFSCME 1625 L Street NW Washington, DC 20036	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1160000	Amount of contribution \$ 150000 Date of contribution 05/30/2008
Contributor's name, mailing address and ZIP code Amer Fed of State Cnty Muni Emps AFSCME 1625 L Street NW Washington, DC 20036	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 1160000	Amount of contribution \$ 200000 Date of contribution 05/02/2008
Contributor's name, mailing address and ZIP code American Federation of Teachers 555 New Jersey Avenue NW Washington, DC 20001 - 0000	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 400000	Amount of contribution \$ 300000 Date of contribution 04/30/2008
Contributor's name, mailing address and ZIP code American Federation of Teachers 555 New Jersey Avenue NW Washington, DC 20001 - 0000	Name of contributor's employer NA Contributor's occupation NA Aggregate contributions year-to-date \$ 400000	Amount of contribution \$ 100000 Date of contribution 05/30/2008

29044243185

Contributor's name, mailing address and ZIP code Bari, Nikita 555 Massachusetts Avenue NW Washington, DC 20001 - 0000	Name of contributor's employer Electronic Interconnect Contributor's occupation Consultant Aggregate contributions year-to-date \$ 500	Amount of contribution \$ 500 Date of contribution 04/30/2008
Contributor's name, mailing address and ZIP code Bricklayers & Allied Craftworkers PAC 620 F Street NW Washington, DC 20004 - 0000	Name of contributor's employer N/A Contributor's occupation N/A Aggregate contributions year-to-date \$ 50000	Amount of contribution \$ 25000 Date of contribution 04/29/2008
Contributor's name, mailing address and ZIP code Bricklayers & Allied Craftworkers PAC 620 F Street NW Washington, DC 20004 - 0000	Name of contributor's employer N/A Contributor's occupation N/A Aggregate contributions year-to-date \$ 50000	Amount of contribution \$ 25000 Date of contribution 05/14/2008
Contributor's name, mailing address and ZIP code Broffman, Edgar M. 375 Park Avenue New York, NY 10151 - 0000	Name of contributor's employer Broffman Associates Contributor's occupation Principal Aggregate contributions year-to-date \$ 5000	Amount of contribution \$ 5000 Date of contribution 04/17/2008
Contributor's name, mailing address and ZIP code Fox, Michael E. 14751 Quito Road Saratoga, CA 95070 - 0000	Name of contributor's employer M.E.Fox & Company Contributor's occupation Executive Aggregate contributions year-to-date \$ 5000	Amount of contribution \$ 5000 Date of contribution 04/16/2008
Contributor's name, mailing address and ZIP code Ind Alliance of Theatrical Stage Employees 1430 Broadway 20th FL New York, NY 10018 - 0000	Name of contributor's employer N/A Contributor's occupation N/A Aggregate contributions year-to-date \$ 100000	Amount of contribution \$ 100000 Date of contribution 05/05/2008
Contributor's name, mailing address and ZIP code Int'l Union of Painters Organization 1750 New York Avenue NW Washington, DC 20006 - 0000	Name of contributor's employer N/A Contributor's occupation N/A Aggregate contributions year-to-date \$ 250000	Amount of contribution \$ 250000 Date of contribution 04/29/2008
Contributor's name, mailing address and ZIP code Kennedy, Stephen 233 Home Place Glenwood Springs, CO 81601 - 0000	Name of contributor's employer Kennedy Construction Ltd Contributor's occupation Owner Aggregate contributions year-to-date \$ 0	Amount of contribution \$ -50000 Date of contribution 05/30/2008
Contributor's name, mailing address and ZIP code Machinists Non-Partisan Political League 9000 Machinist Place Upper Marlboro, MD 20772 - 0000	Name of contributor's employer N/A Contributor's occupation N/A Aggregate contributions year-to-date \$ 50000	Amount of contribution \$ 50000 Date of contribution 06/03/2008
Contributor's name, mailing address and ZIP code Miller, Holly 1740 Broadway San Francisco, CA 94109 - 0000	Name of contributor's employer Self-employed (name) Contributor's occupation Investor Aggregate contributions year-to-date \$ 1000	Amount of contribution \$ 1000 Date of contribution 04/24/2008

29044243186

**Contributor's name, mailing address and ZIP code**  
Office & Professional Employees Intl Union OPEIU  
1660 L Street NW Suite 801  
Washington, DC 20036 - 0000

**Name of contributor's employer**  
N/A  
**Contributor's occupation**  
N/A  
**Aggregate contributions year-to-date**  
\$ 50000

**Amount of contribution**  
\$ 50000  
**Date of contribution**  
04/18/2008

**Contributor's name, mailing address and ZIP code**  
Sheet Metal Workers Intl Association  
1750 New York Avenue NW  
Washington, DC 20006 - 0000

**Name of contributor's employer**  
N/A  
**Contributor's occupation**  
N/A  
**Aggregate contributions year-to-date**  
\$ 150000

**Amount of contribution**  
\$ 100000  
**Date of contribution**  
04/23/2008

**Contributor's name, mailing address and ZIP code**  
Sheet Metal Workers Intl Association  
1750 New York Avenue NW  
Washington, DC 20006 - 0000

**Name of contributor's employer**  
N/A  
**Contributor's occupation**  
N/A  
**Aggregate contributions year-to-date**  
\$ 150000

**Amount of contribution**  
\$ 50000  
**Date of contribution**  
05/16/2008

**Contributor's name, mailing address and ZIP code**  
Kennedy, Stephen  
233 Home Place  
Glenwood Springs, CO 81601 - 0000

**Name of contributor's employer**  
Kennedy Construction Ltd  
**Contributor's occupation**  
Owner  
**Aggregate contributions year-to-date**  
\$ 50000

**Amount of contribution**  
\$ 25000  
**Date of contribution**  
04/14/2008

29044243187

<b>Schedule B</b>	<b>Itemized Expenditures</b>	<b>Schedule B</b>
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<b>Recipient's name, mailing address and ZIP code</b> Rancho, Johnson & Purcell LLP 201 Dolores Avenue San Leandro, CA 94577 - 0000	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 63143 <b>Date of expenditure</b> 04/02/2008
--	--	--

**Purpose of expenditure**  
Legal fees

<b>Recipient's name, mailing address and ZIP code</b> Warren & Associates LLC 2261 Market Street PMB 319 San Francisco, CA 94114 - 1600	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 1358 <b>Date of expenditure</b> 04/02/2008
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**Purpose of expenditure**  
Accounting

<b>Recipient's name, mailing address and ZIP code</b> Lisa Cabanel Consulting 1604 Fawn lane Huntingdon Valley, PA 19006 - 0000	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 228000 <b>Date of expenditure</b> 04/07/2008
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**Purpose of expenditure**  
TV buy

<b>Recipient's name, mailing address and ZIP code</b> Blackrock Associates LLC 1936 University Avenue Suite 191 Berkeley, CA 94704 - 0000	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 7500 <b>Date of expenditure</b> 04/17/2008
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**Purpose of expenditure**  
Website design & maintenance

<b>Recipient's name, mailing address and ZIP code</b> Lisa Cabanel Consulting 1604 Fawn lane Huntingdon Valley, PA 19006 - 0000	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 197365 <b>Date of expenditure</b> 04/17/2008
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**Purpose of expenditure**  
TV buy

<b>Recipient's name, mailing address and ZIP code</b> Kianoy, Jason CO California Strategics LLC 980 9th Street Suite 2000 Sacramento, CA 95814 - 0000	<b>Name of recipient's employer</b> California Strategics LLC <b>Recipient's occupation</b> Consultant	<b>Amount of Expenditure</b> \$ 5000 <b>Date of expenditure</b> 04/21/2008
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**Purpose of expenditure**  
Campaign Consultant

<b>Recipient's name, mailing address and ZIP code</b> Warren & Associates LLC 2261 Market Street PMB 319 San Francisco, CA 94114 - 1600	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 5229 <b>Date of expenditure</b> 04/23/2008
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**Purpose of expenditure**  
Accounting

<b>Recipient's name, mailing address and ZIP code</b> Lisa Cabanel Consulting 1604 Fawn lane Huntingdon Valley, PA 19006 - 0000	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 210000 <b>Date of expenditure</b> 04/25/2008
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**Purpose of expenditure**  
TV buy

<b>Recipient's name, mailing address and ZIP code</b> Acosta Salazar LLC 1005 12th Street Suite A Sacramento, CA 95814 - 0000	<b>Name of recipient's employer</b> N/A <b>Recipient's occupation</b> N/A	<b>Amount of Expenditure</b> \$ 10000 <b>Date of expenditure</b> 04/28/2008
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**Purpose of expenditure**  
Campaign Consultant

29044243188



Recipient's name, mailing address and ZIP code  
Kinney, Jason  
OO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
California Strategies LLC  
Recipient's occupation  
Consultant

Amount of Expenditure  
\$ 5000  
Date of expenditure  
04/28/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Pawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 250000  
Date of expenditure  
04/28/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Savene Clampton Howell Inc.  
535 W Wayne Street  
Fort Wayne, IN 46802 - 2123

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 150000  
Date of expenditure  
04/28/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Pawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 220000  
Date of expenditure  
04/30/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Pawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 148000  
Date of expenditure  
05/01/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Pawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 52000  
Date of expenditure  
05/05/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Kinney, Jason  
OO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
California Strategies LLC  
Recipient's occupation  
Consultant

Amount of Expenditure  
\$ 5000  
Date of expenditure  
05/08/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Lisa Cabanel Consulting  
1604 Pawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 26500  
Date of expenditure  
05/08/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Warren & Associates LLC  
2261 Market Street FMB 319  
San Francisco, CA 94114 - 1600

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 4429  
Date of expenditure  
05/08/2008

Purpose of expenditure  
Accounting

29044243189

Recipient's name, mailing address and ZIP code  
Lia Cabanel Consulting  
1604 Fawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 300000  
Date of expenditure  
05/14/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Acosta Salazar LLC  
1005 12th Street Suite A  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 10000  
Date of expenditure  
05/15/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Kinsey, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
California Strategies LLC  
Recipient's occupation  
Consultant

Amount of Expenditure  
\$ 5000  
Date of expenditure  
05/15/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Rancho, Johanson & Purcell LLP  
201 Dolores Avenue  
San Leandro, CA 94577 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 11767  
Date of expenditure  
05/15/2008

Purpose of expenditure  
Legal fees

Recipient's name, mailing address and ZIP code  
Kinsey, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

Name of recipient's employer  
California Strategies LLC  
Recipient's occupation  
Consultant

Amount of Expenditure  
\$ 5000  
Date of expenditure  
05/22/2008

Purpose of expenditure  
Campaign Consultant

Recipient's name, mailing address and ZIP code  
Lia Cabanel Consulting  
1604 Fawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 300000  
Date of expenditure  
05/22/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Lia Cabanel Consulting  
1604 Fawn lane  
Huntingdon Valley, PA 19006 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 30000  
Date of expenditure  
05/23/2008

Purpose of expenditure  
TV buy

Recipient's name, mailing address and ZIP code  
Watten & Associates LLC  
2261 Market Street FMB 319  
San Francisco, CA 94114 - 1600

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 1929  
Date of expenditure  
05/23/2008

Purpose of expenditure  
Accounting

Recipient's name, mailing address and ZIP code  
Adelman Liston  
222 West Ontario Street Ste 600  
Chicago, IL 60610 - 0000

Name of recipient's employer  
N/A  
Recipient's occupation  
N/A

Amount of Expenditure  
\$ 150000  
Date of expenditure  
05/26/2008

Purpose of expenditure  
TV buy

29044243190

**Recipient's name, mailing address and ZIP code**  
Kinney, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

**Name of recipient's employer**  
California Strategies LLC  
**Recipient's occupation**  
Consultant

**Amount of Expenditure**  
\$ 10000  
**Date of expenditure**  
05/28/2008

**Purpose of expenditure**  
Campaign Consultant

**Recipient's name, mailing address and ZIP code**  
Kennedy, Stephen  
233 Home Place  
Glenwood Springs, CO 81601 - 0000

**Name of recipient's employer**  
Kennedy Construction Ltd  
**Recipient's occupation**  
Owner

**Amount of Expenditure**  
\$ 50000  
**Date of expenditure**  
05/30/2008

**Purpose of expenditure**  
Contribution refund

**Recipient's name, mailing address and ZIP code**  
Lisa Cabanel Consulting  
1604 Fawn lane  
Huntingdon Valley, PA 19006 - 0000

**Name of recipient's employer**  
N/A  
**Recipient's occupation**  
N/A

**Amount of Expenditure**  
\$ 25000  
**Date of expenditure**  
06/02/2008

**Purpose of expenditure**  
TV buy

**Recipient's name, mailing address and ZIP code**  
Kinney, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

**Name of recipient's employer**  
California Strategies LLC  
**Recipient's occupation**  
Consultant

**Amount of Expenditure**  
\$ 5000  
**Date of expenditure**  
06/05/2008

**Purpose of expenditure**  
Campaign Consultant

**Recipient's name, mailing address and ZIP code**  
Warren & Associates LLC  
2261 Market Street PMB 319  
San Francisco, CA 94114 - 1600

**Name of recipient's employer**  
N/A  
**Recipient's occupation**  
N/A

**Amount of Expenditure**  
\$ 2555  
**Date of expenditure**  
06/05/2008

**Purpose of expenditure**  
Accounting

**Recipient's name, mailing address and ZIP code**  
Adelman Limon  
222 West Ontario Street Ste 600  
Chicago, IL 60610 - 0000

**Name of recipient's employer**  
N/A  
**Recipient's occupation**  
N/A

**Amount of Expenditure**  
\$ 15000  
**Date of expenditure**  
06/06/2008

**Purpose of expenditure**  
TV buy

**Recipient's name, mailing address and ZIP code**  
Kinney, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

**Name of recipient's employer**  
California Strategies LLC  
**Recipient's occupation**  
Consultant

**Amount of Expenditure**  
\$ 10000  
**Date of expenditure**  
06/18/2008

**Purpose of expenditure**  
Website design & maintenance

**Recipient's name, mailing address and ZIP code**  
Kinney, Jason  
CO California Strategies LLC 980 9th Street Suite 2000  
Sacramento, CA 95814 - 0000

**Name of recipient's employer**  
California Strategies LLC  
**Recipient's occupation**  
Consultant

**Amount of Expenditure**  
\$ 5800  
**Date of expenditure**  
06/23/2008

**Purpose of expenditure**  
Website design & maintenance

**Recipient's name, mailing address and ZIP code**  
Ramona, Johnson & Parcell LLP  
201 Dolores Avenue  
San Leandro, CA 94577 - 0000

**Name of recipient's employer**  
N/A  
**Recipient's occupation**  
N/A

**Amount of Expenditure**  
\$ 29676  
**Date of expenditure**  
06/25/2008

**Purpose of expenditure**  
Legal fees

29044243191

Recipient's name, mailing address and ZIP code  
Aggregate Expenses Under \$500  
2261 Market Street PMB 319  
San Francisco, CA 94114 - 1600

Name of recipient's employer  
NA  
Recipient's occupation  
NA

Amount of Expenditure  
\$ 476  
Date of expenditure  
06/30/2008

Purpose of expenditure  
Bank fees & Acitbus fees

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**EXHIBIT S**

The Associated Press

April 28, 2008 Monday 9:11 PM GMT

## Pro-Clinton group airing ad in Indiana

BYLINE: By JIM KUHNHENN, Associated Press Writer

SECTION: POLITICAL NEWS

LENGTH: 348 words

DATELINE: WASHINGTON

A political advocacy group consisting of backers of Sen. Hillary Rodham Clinton's presidential campaign was to begin spending at least \$700,000 Tuesday in an Indiana advertising blitz calling on Sen. Barack Obama to address the economic plight of Americans.

The Indiana ad campaign would be the biggest single expenditure in a state for the mostly union financed group, called the American Leadership Project. The group spent more than \$1 million running ads in Texas, Ohio and Pennsylvania.

"Indiana has been ground zero for economic anxiety since 2001," said Jason Kinney, an Indiana native and one of the organizers of the American Leadership Project.

The ad quotes commentators who describe Obama's economic plan as deficient. The ad campaign could come at a crucial time for Clinton. The Democratic presidential race in Indiana is a dead heat, according to public opinion polls. Obama, the better-financed candidate, has been spending more than Clinton in the state.

As of its last filing with the Federal Election Commission, the group had raised \$1.5 million, almost all of it from the American Federation of State, County and Municipal Employees, a union that has endorsed Clinton.

The group is a so-called 527 organization, named after the section of the tax code that governs their activities. Such groups, unlike candidates and political action committees, can raise unlimited amounts of money from unions, individuals and corporations.

But the law prohibits them from coordinating their work with political campaigns. They also are barred from explicitly advocating the election or defeat of a candidate. But they are permitted to support or oppose issues and the stands that candidates take on those issues.

Before the Ohio and Texas primaries, the American Leadership Project ran an ad supporting Clinton's economic policies. The ad did not mention Obama, but alluded to him with an announcer saying: "If speeches could create jobs, we wouldn't be facing a recession."

The ad campaign became more pointed in Pennsylvania, claiming Obama's health care plan would leave millions uninsured.

LOAD-DATE: April 29, 2008

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newswire

EXHIBIT 3

**EXHIBIT T**

Associated Press Online

June 1, 2008 Sunday 5:48 PM GMT

## Clinton looks for victory in Puerto Rico primary

BYLINE: By JIM KUHNHENN, Associated Press Writer

SECTION: POLITICAL NEWS

LENGTH: 1131 words

DATELINE: SAN JUAN Puerto Rico

Hillary Rodham Clinton campaigned for a largely symbolic victory Sunday in Puerto Rico's presidential primary, the final act in a weekend of tumult that brought Barack Obama tantalizingly close to the Democratic presidential nomination.

"We're going to win big here today," Clinton's campaign chairman Terry McAuliffe predicted as Puerto Ricans cast ballots in a race with 55 delegates at stake.

Obama's aides countered that even so, the 46-year-old Illinois senator would amass the 2,118 delegates needed to claim the nomination within days. "We hope this week, absolutely," said spokesman Robert Gibbs. Montana and South Dakota hold primaries on Tuesday, the last of the primary campaign season.

Gibbs' confidence reflected the outcome of Saturday's meeting of the Democratic Party's rules and bylaws committee. Before an audience that jeered and cheered by turns, the panel voted to seat disputed delegations from Michigan and Florida, but give each delegate only one-half vote rather than the full vote sought by the Clinton campaign.

While the decision narrowed the gap between Clinton and Obama, it also erased the former first lady's last, best chance to change the course of the campaign and left her rival only 64 delegates shy of the nomination.

A telephone poll of likely Puerto Rican voters taken in the days leading up to the primary suggested an electorate sympathetic to Clinton heavily Hispanic, as well as lower income and more than 50 percent female. About one-half also described themselves as conservative.

Nearly three-quarters of all those interviewed said they had a favorable view of Clinton, compared to 53 percent for Obama. One-third said they didn't know enough about Obama to form an impression.

THIS IS A BREAKING NEWS UPDATE. Check back soon for further information. AP's earlier story is below.

SAN JUAN, Puerto Rico (AP) Hillary Rodham Clinton campaigned for victory Sunday in Puerto Rico's presidential primary, albeit a hollow one as Barack Obama's advisers confidently predicted he'd have the Democratic presidential nomination in hand as early as this week.

A party committee voted a day earlier to give each Michigan and Florida delegate a half vote at the national convention. The compromise did no harm to Obama's near lock on the nomination, but prompted new threats

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from Clinton's camp to carry the fight to the August convention.

The deal by the party's Rules Committee left Obama 64 delegates short of the 2,118 need for the nomination. Sunday's election here and the final primaries Tuesday in Montana and South Dakota will narrow the gap, meaning Obama could secure the nomination this week.

"If not Tuesday, I think it will be fairly soon," Obama spokesman Robert Gibbs said on national television Sunday.

Gibbs also did not rule out the possibility that Obama will seat the Michigan and Florida delegations at full strength if he is the nominee.

"I think any nominee may make some decisions at some point regarding those delegations," he said on ABC's "This Week."

Clinton's campaign objected to the compromise on Michigan's delegates because it gave the former first lady four fewer delegates than aides had maintained she was entitled to, prompting new threats to take the fight to the August convention. She trails Obama by more than 170 delegates.

"She will be consulting with people and she will be making the decision later on," said adviser Harold Ickes, a member of the committee that voted Saturday. He hinted that the 2,118 delegates needed for the nomination may grow.

"But in our view, the final number for the nomination will not be fixed until Michigan is ultimately resolved, but that will depend on what Mrs. Clinton decides to do," Ickes said on CNN's "Late Edition."

As voting got under way Sunday, some polling places in the capital of San Juan were busy soon after they opened while others were idle. More than 20 schools serving as polling sites opened late because janitors were protesting late-arriving paychecks, the Department of Education said.

Angel Barrios, who was among two dozen people who voted in the first five minutes at a school basketball court, said he's known for months that he would vote for Clinton.

"She has the kind of help that the other one doesn't have her husband. He is a good adviser," Barrios said.

One woman who said she voted for Obama refused to give her name, fearing her pro-Clinton friends would shun her if they knew.

"He's refreshing because he's not dragging everything from previous administrations," she said. "He has an energy that we need."

Clinton also got an early start, chatting up customers, posing for photos and signing posters during a visit to Kasalta Bakery in San Juan.

On Saturday, she spent hours on the back of a pickup truck in a salsa-blasting, 40-vehicle caravan through the capital outskirts. In a sign that her supporters were unwilling to give up, an outside group financed by her labor backers bought \$150,000 worth of television ads on the island promoting her views.

The group, the American Leadership Project, also was spending \$300,000 on ads in Tuesday's primary states of Montana and South Dakota, states where Obama is deemed the favorite. Clinton planned to campaign in South Dakota on Monday.

Saturday's party meeting did bolster one of Clinton's key arguments for staying in the fight. In seating the Michigan and Florida delegates, party leaders tacitly acknowledged her popular vote dominance in those states. Both states were punished by the DNC for moving their contests in violation of party rules and the party had refused to recognize the votes. The candidates did not campaign in either state and Obama withdrew his name from the Michigan ballot.

Clinton's campaign now says she has won the most votes since the contest began in January, a debatable claim for a number of reasons, including the fact that she ran virtually unopposed in Michigan and vote totals from several caucus states cannot be calculated.

Her campaign chairman, Terry McAuliffe, was quick to note that during his appearance on ABC.

"Well clearly, it ultimately comes down to the delegates. But I think it's very important to note that Hillary Clinton will have received more votes than anyone ever running for president on either side in primary battle," said McAuliffe, who was with Clinton in Puerto Rico.

While polls show her ahead, island officials don't expect an exceptionally large turnout. That means Clinton might not get the huge influx of popular votes she is counting on.

McAuliffe said Clinton would not consider leaving the race until someone gets 2,118 delegates.

"We think we are going to get that number. But we're going to make our argument right up until someone has that number," he said.

Associated Press writer Danica Coto in San Juan, Puerto Rico, contributed to this report.

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